



Foreign Producers Energized by Talk of Tax Increases

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With gas prices approaching \$4.00 per gallon in some areas, the American people are demanding action to control skyrocketing energy prices. High prices mean having less money for other everyday needs, and tend to hit hardest those raising families, living on a fixed income or struggling to run a small business.

I believe the Democratic majority in Washington is taking us down the wrong path with their new energy bill (H.R. 5351), which proposes to increase taxes on U.S. energy producers. This would drive up production costs, discourage the development of domestic supplies and make it tougher for America's producers to compete with their foreign counterparts. Making it more expensive to produce energy in the U.S. would also drive good energy-sector jobs abroad.

One particularly onerous provision creates a carve-out that would enable Venezuelan strongman Hugo Chavez's state-owned oil company to claim a U.S. tax deduction. Chavez is anti-American and anti-free market, and is working to undermine U.S. security interests. Our energy policies should strive to make us less dependent on oil from volatile countries like Venezuela. The majority's legislation would do just the opposite.

We cannot tax our way to energy independence. Rather, Congress must take action to increase American-made energy. I have always supported expanding the diversity of our domestic energy supplies through incentives for renewable energy resources, which the bill does to an extent. But it will take time for forest biomass, wind, geothermal and solar energy to become fully viable.

In the meanwhile, we must pursue a balanced approach and responsibly develop petroleum and natural gas resources, advanced coal, and nuclear technology. The U.S. has a rich supply of untapped resources, including in Alaska and off our coasts. Using superior technology, we can recover them in a more efficient and environmentally-safe way. Energy security and environmental protection need not be an either-or proposition.

In short, becoming more energy independent by increasing American-made energy is critical to stabilizing energy prices at home. However, we won't get more of something by taxing it. We'll get less energy—and higher prices at the pump.